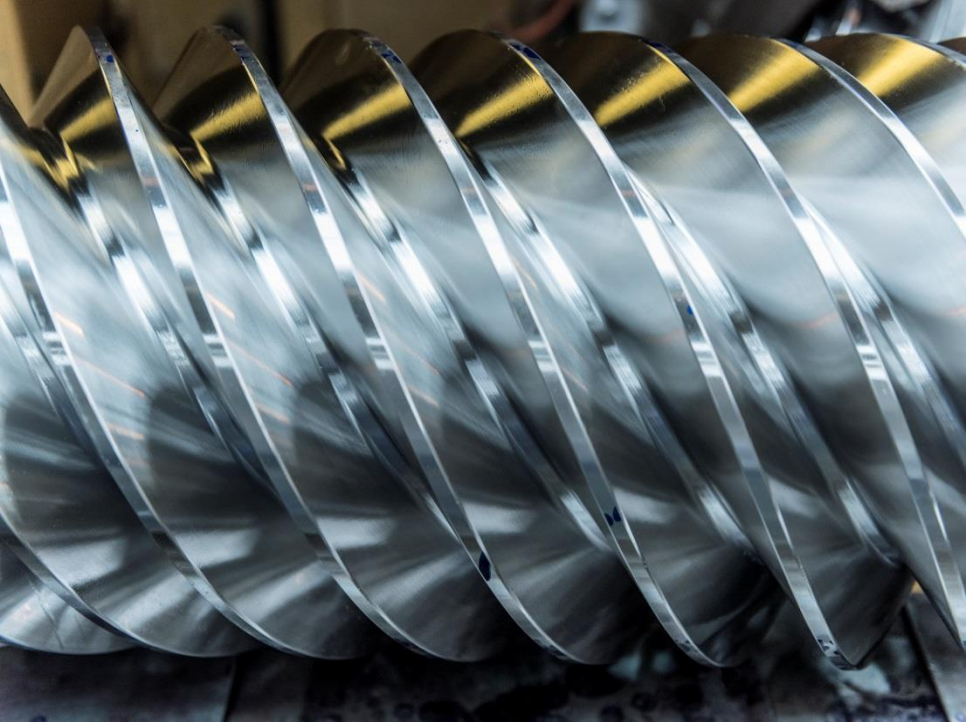

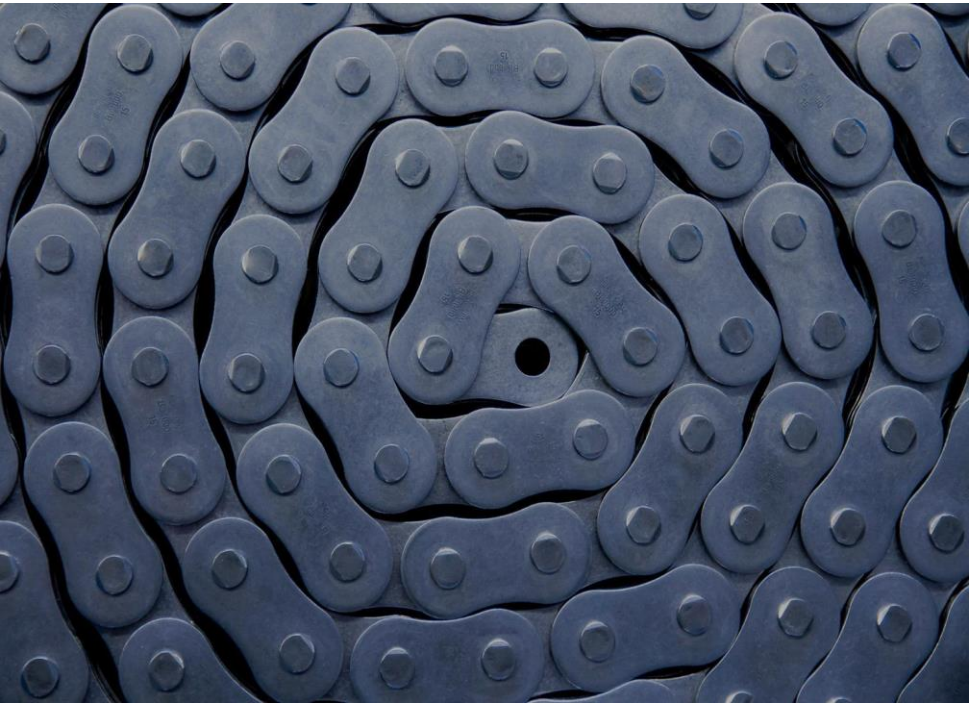

RENOLD

Investor site visit

UK Couplings, Cardiff

27th April 2017

STEP 2020
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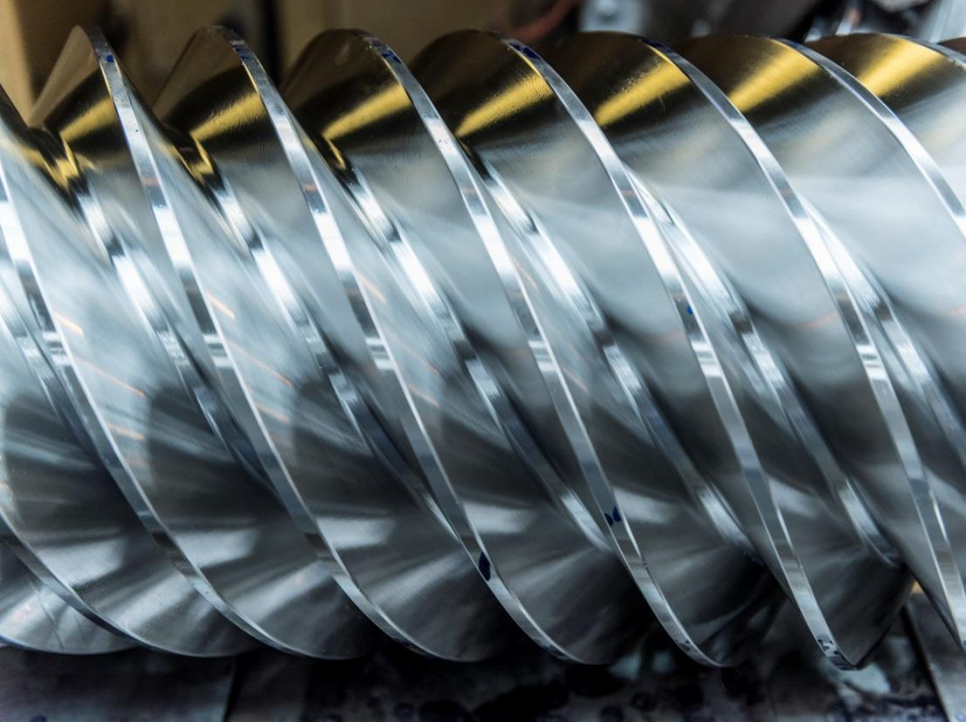
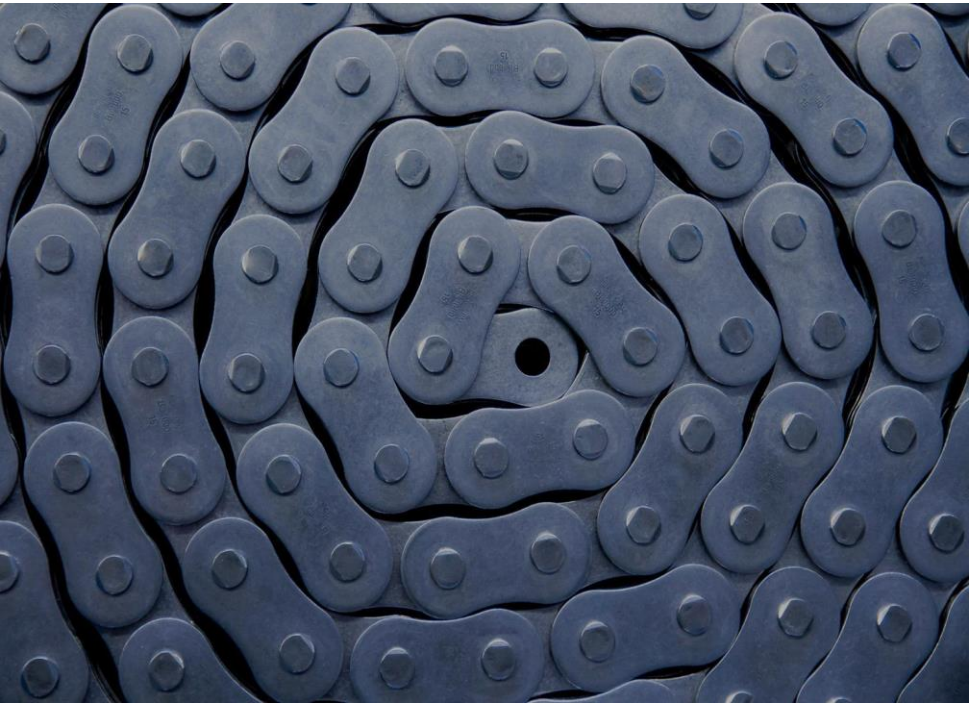
- Robert Purcell — Chief Executive
- Ian Scapens — Group Finance Director
- Matt Taylor — Global Managing Director – Chain
- Andy Harbidge — Managing Director – Couplings
- Paul Richards — Engineering Director

Key highlights from the Trading Update issued on 11 April 2017:

- "….underlying revenue is expected to be broadly flat."
- "Underlying revenue growth of approximately 3.1% for the second half of the year is a significant improvement over the 4.0% decline reported for the first half."
- "Net debt finished the year at £17.4m"
- "We…expect to report results for the full year in line with market expectations."
- "The order book at 31 March was 9.0% higher than at the prior year end…"





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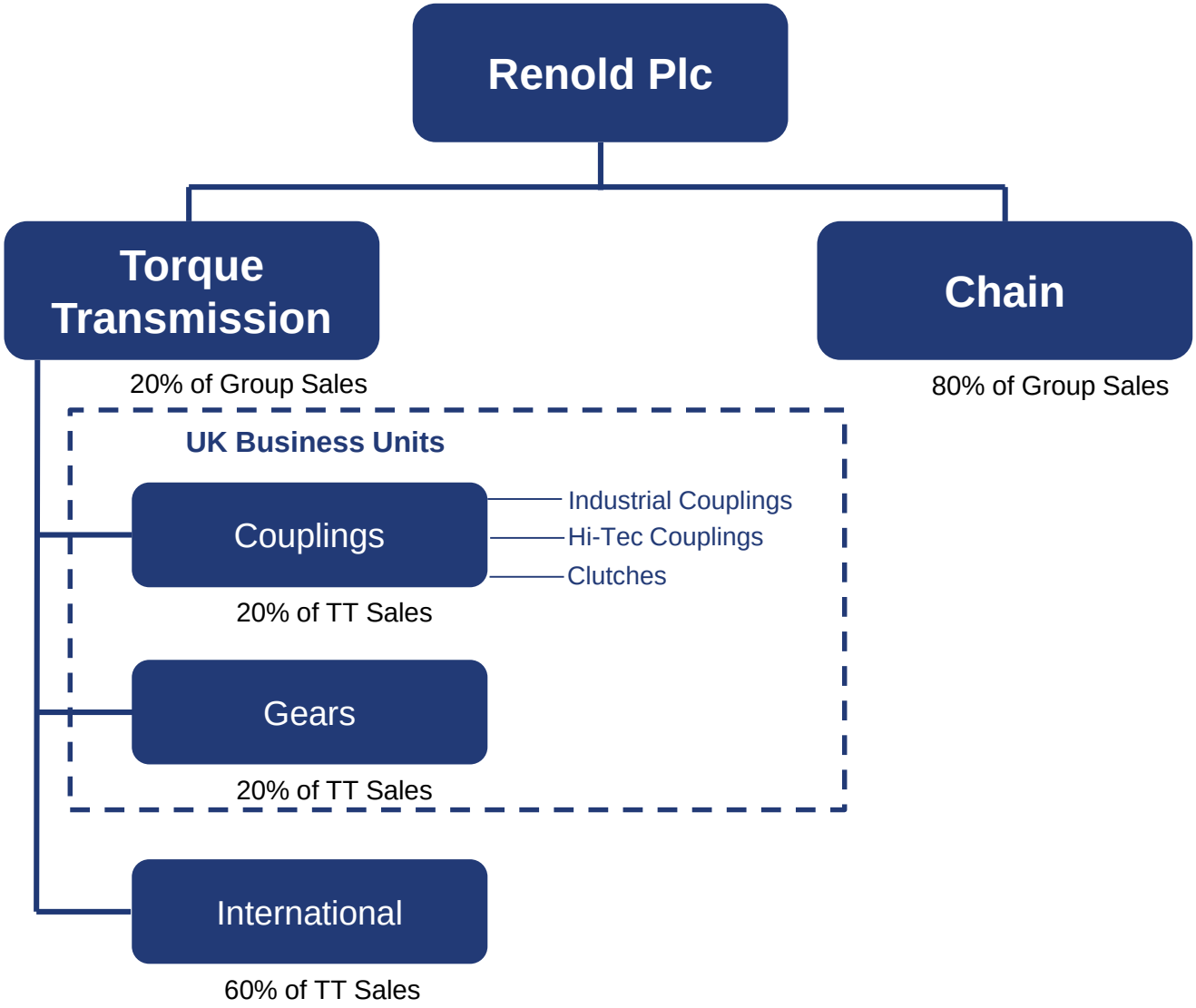
UK Couplings

Andy Harbidge — **Managing Director - Couplings**
Paul Richards — **Engineering Director**

27th April 2017

STEP 2020
RENOLD

Renold Structure



Note:- Sales % based on external sales

Couplings History

1852
Hans Renold born on July 31st in Aarau, a small town in Switzerland

1900
Hans Renold Co. design and manufactures a Coning Machine

1903
Hans Renold Ltd. formed

1914
Hans Renold Ltd. design and patent their flexible chain coupling. A product that is still used worldwide today

1943
On May 2nd after a period of failing health Hans Renold passed away at the age of 90

Factory Acquired at Cardiff by Renold and Coventry Chain Co. Ltd

1947
The manufacture of Couplings begins at Cardiff

1964
Renold Group acquire John Holroyd and Co Ltd

1972
Renold Ltd. Acquire Ajax, USA

1996
Renold acquire the Holset couplings business in Halifax and renames the company Renold Hi-Tec Couplings.

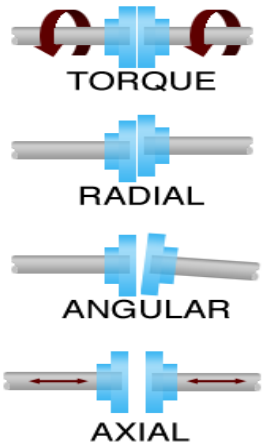
Cardiff factory moved to a new premises on Newlands Road

2015
Step2020 strategic plan announced. Renold employs around 2,200 people in almost 20 countries around the world

2017
Manufacturing of the Renold Hi-Tec coupling range relocates to Cardiff factory

Coupling Functionality

- Mechanical device for connecting two rotating shafts
- Transmits torque from one shaft to another
- Allows for different types of misalignment
- Creates flexibility and can reduce shock loads



Classifications of Couplings

Renold Range

Torsionally Flexible

Spiderflex/Jaw/Wrap
Pinflex
Crownpin
Tyreflex
Disclex

Torsionally Rigid

Gearflex
Chainflex

Torsionally Rigid
Zero backlash

Renoldflex
Rigid

Vibration Absorbing

Hydrostart
Hi-Tec HTB
Hi-Tec DCB
Hi-Tec RB / RBI
Hi-Tec VF

Industrial Couplings

Product Range

- Gear couplings
- Fluid couplings
- Pin & buffer couplings
- Spider couplings
- Tyre couplings
- Disc couplings

Competitive Differentiators

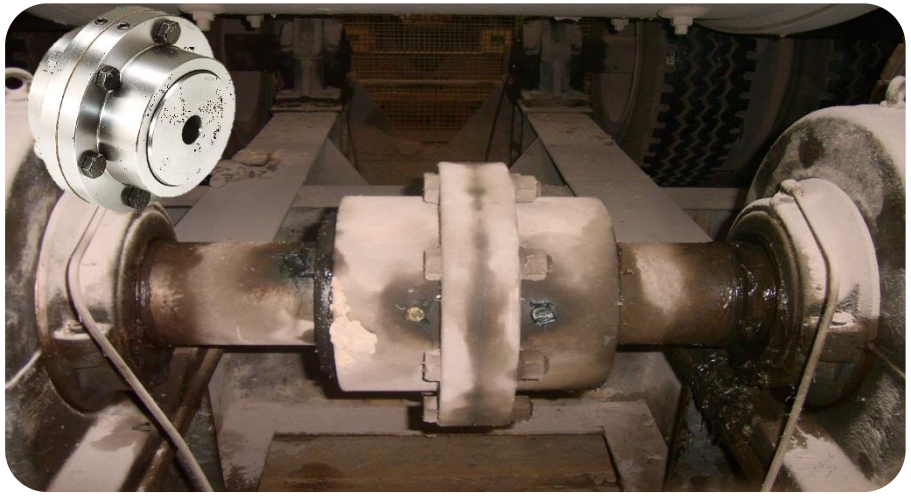
- Industry leading range
- On-site engineering support
- Bespoke product design
- UK manufacture
- Standard product range stock
- Brand & reputation

Industrial Couplings – Applications

- Quarrying & mining
- Cement production
- Steel production
- Material handling
- Water industry
- Pulp & paper
- Energy production
- Food & drink manufacturing
- Mixers/crushers
- Escalators
- Plus many more

Hydrastart in a Crusher Application

Pinflex in a Conveyor Application



Gearflex in a Rotary Screen

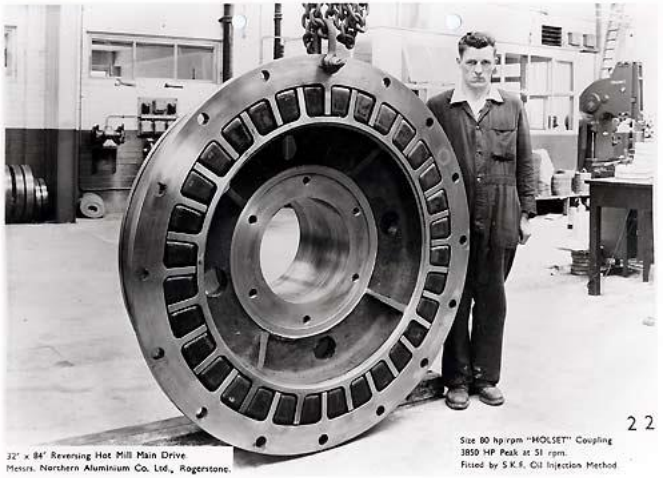
Hi-Tec Couplings

Product Range

- HTB Range (High Temp Blind Assembly)
- RB Range (General Purpose)
- DCB-GS Range (Diesel / Gas Engines/ Compressors
- PM Range (Heavy Industry – severe shock & vibration)
- MSC Range (Diesel Drive & Compressors)
- Spares

Competitive Differentiators

- Rubber in compression
  - Reduced vibration / vibration tuning
  - Failsafe mechanism
  - Maintenance free
- Industry leading range
- On-site engineering support
- Bespoke product design
- UK manufacture
- Brand & reputation



Hi-Tec Couplings - Applications

- Steel production
- Mining & quarrying
- Power generation
- Cement production
- Marine propulsion
- Rail traction
- Pumps
- Compressors

PM application – Grinding Mill

VF application – Luxury Yacht

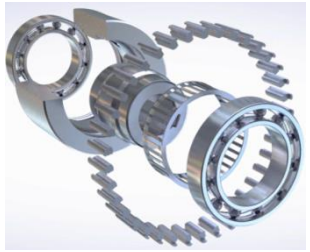
DCB application – Military Vessel, Main propulsion & generator

Clutches (Freewheels & Backstops)

- One way drive mechanisms (like on a bicycle) used as a backstop or overrun in many industries.

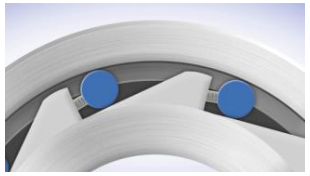
Type A – Spragg Freewheels

- High torque transmission
- Over-running
- Typical applications:-
  Conveyors, feeders, large conveyors, pumps, engines & motors, theme park rides



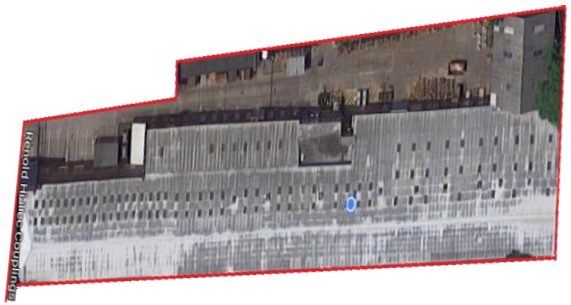
Type B – Trapped Roller

- Smaller torque transmission
- Over-running
- Typical applications:-
  Fan drivers, blowers, small pumps, starter drives, small engines



Halifax Location

- Hi-Tec product range production
- 2,300m^2
- 4,700m^2 (1.2 acre) site
- Land locked no room for expansion
- Key equipment
  - Ranges from 9-20 years old
  - Average age of 16 years
- Headcount 41



Cardiff Location

- Industrial couplings & clutch range production
- 4,200m^2
- 14,500m^2 (3.6 acre) site
- Site with space and room for expansion
- Key equipment
  - Ranges from 15-40 years old
  - Average age of 24 years
- Headcount 62

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Pre and post project

Sq Ft

Halifax	Cardiff	Combined	Post
35,663	45,000	80,663	45,000

Headcount

Halifax	Cardiff	Combined	Post
41	62	103	85

Average Age of key equipment

Halifax	Cardiff	Combined	Post
16	24	21	13

Average time saved

Hi Tech Product	Industrial Product
40%	52%
Excluding transportation	

Capital Investments

- Cardiff Factory Preparation (new concrete slab, warehouse changes, etc.)
- 3 x Medium Sized Machining Centres
- 1 x Large Sized Machining Centre
- Additional Cranes

Other Key Actions

- INFOR M3 ERP System implemented at both sites prior to project and combined during project
- 23 new people hired in Cardiff
- 1700 man hours of cross training on transferred machines

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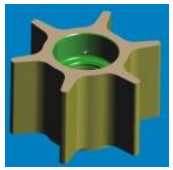
Manufacture Process – Before & After

At Halifax Site

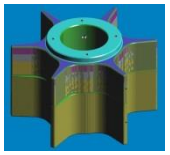
Machine 1

Step 1 (Setup)



Step 2 (Turn)

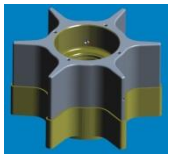
Step 3 (Setup)



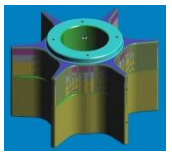
Step 4 (Turn)

Machine 2

Step 5 (Setup)



Step 6 (Mill)

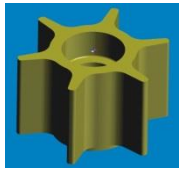


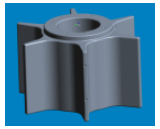
Step 7 (Mill)

Step 8 (Setup)

Youji

Steel Casting





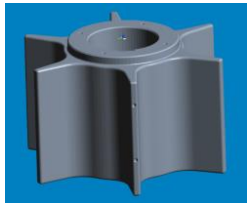
Step 9 (Fine Turn)

Radial Arm Drill

Step 10 (Drill)

Dressing Booth

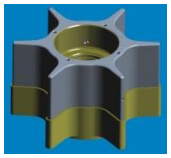
Step 11 (Dress)



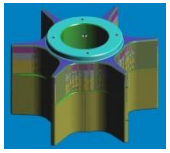
Finished Part

Now at Cardiff Site

Step 1 (Setup)



Step 2 (Side 1)

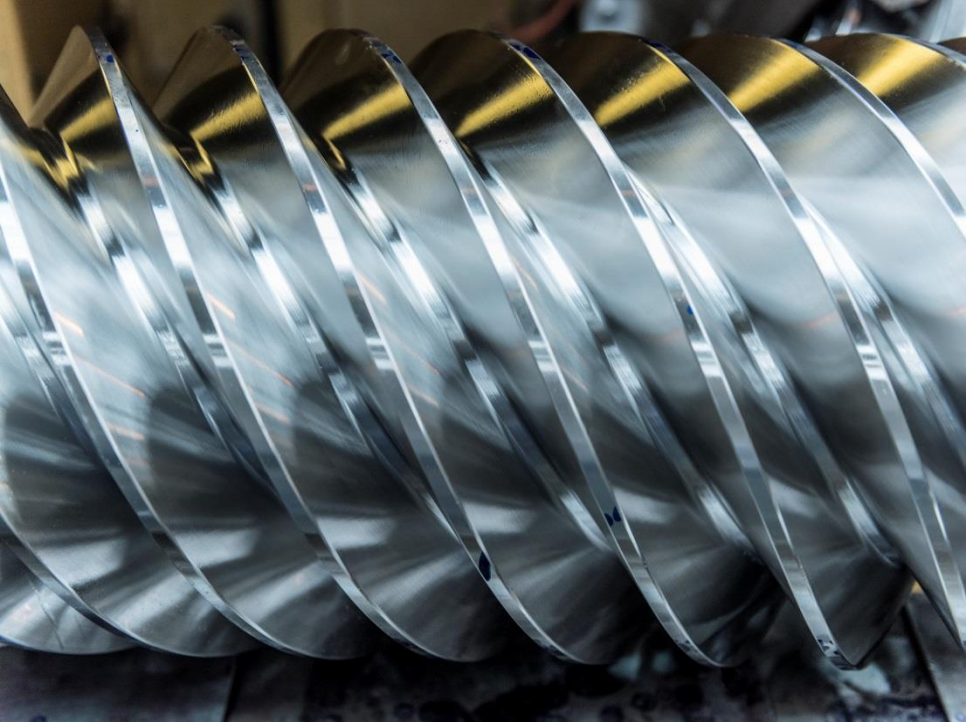


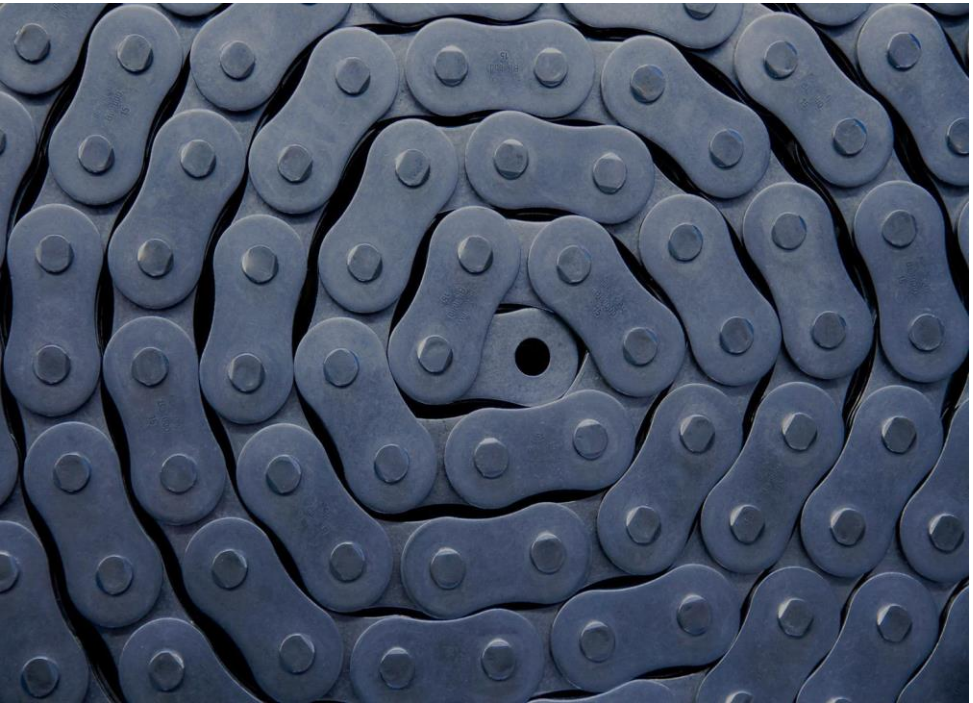
Step 3 (Side 2)

Large 5 Axis Mill Machining Centre
– Mill / Drill / Turn – all operations 1 machine

Key Next Steps

- Finalise Project Cyclone & realise project goals
- Expand Hi-Tec product range to suit higher volume applications
- Maximise returns from recent investment and continue to utilise new production technology to improve cost and service
- Commercial focus through targeting key markets and customers





RENOLD

Renold Chain

Investor Day Presentation

Matt Taylor **Global Managing Director - Chain**

27th April 2017

STEP 2020
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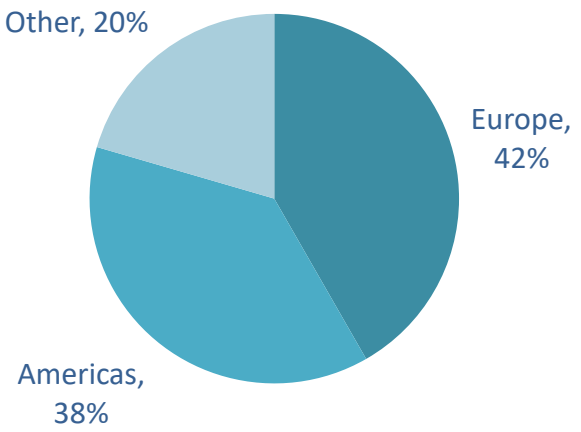
Renold Chain

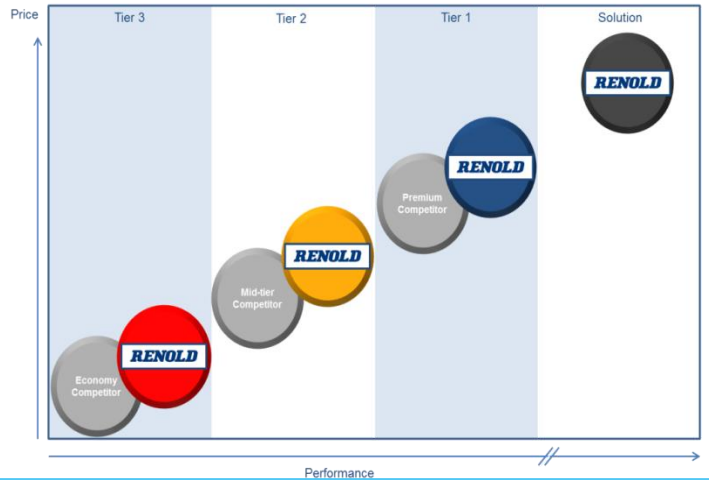
- Global market for “industrial” chain in excess of £1.5bn
- Sales in more than 100 countries worldwide
- Global manufacturing capability
- Well represented in developed economies
- Increasing presence in emerging nations – major growth opportunity
- 1700 staff worldwide
- Renold number two player globally by revenue

Revenue By Region



Renold Positioning

- High performance chain solutions positioned at the premium end of each market segment



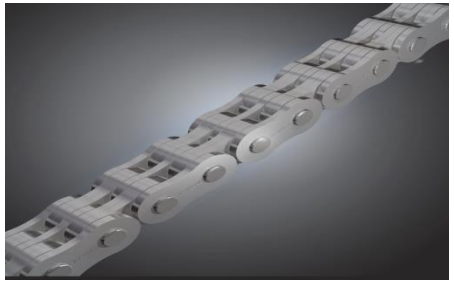
Renold Differentiation

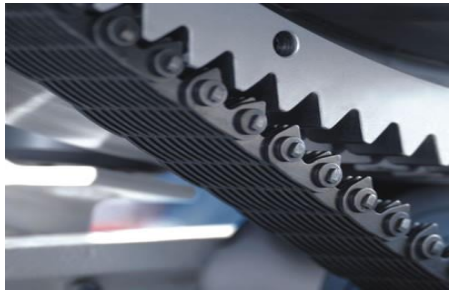
- Renold chain is an engineered product with performance characteristics suited to specific applications :
  - Wear
  - Tensile Strength
  - Fatigue Performance
  - Corrosion Resistance
  - Low Maintenance
  - Abrasion Resistance
  - Chain Efficiency
- Renold chain is engineered and manufactured in our own factories to levels above global norms and standards

Product Overview

RENOLD

Roller (Transmission) Chain	• Strong brand recognition and technical differentiation • Solution chains - low maintenance, abrasion resistant, anti corrosion • Mainly used in power transmission applications • Key Markets : Construction, Packaging, Food Processing, Machine Building, Printing, Timber, Steel, Confectionary, Automotive Assembly
Conveyor (Engineering) Chain	• Engineering solutions for the movement of raw materials, products, and people • Typically heavier duty than roller chain • Key Markets : Agriculture, Leisure, Mining, Cement, Escalator, Mining, Timber, Steel, Bakery, Construction, Food Processing, Theme Park
Leaf Chain	• Mainly used in lifting applications with tensile strength and fatigue performance key • Key Markets : Fork Lift trucks, Telehandlers, Container Handling, Energy, Oil and Gas, Automated Parking Systems
Tooth Chain	• Niche chain product with strong technical differentiation • Application specific : High power to weight ration, high speeds • Used for both power transmission and conveying • Key Markets : Glass bottle production, Automotive Assembly, Solar Panels, Machine Building

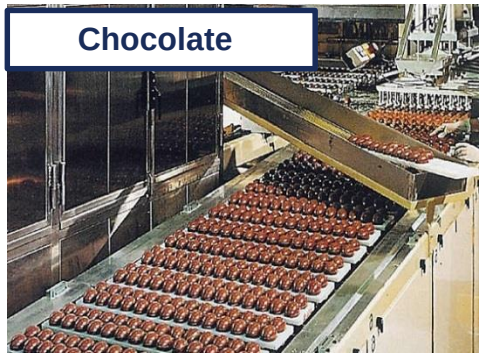




Myriad of different applications across a wide spread of industries…..

Theme Park

Chocolate



Logistics

Fork Lift Truck

Cement

Recycling

Timber

Beverage

Manufacturing footprint designed to enable local service and rapid response while gaining scale benefits

Einbeck
Products
- High volume, small pitch transmission chain
- Fork lift truck / Leaf chain
- Specials

Serves: Europe / World

Gronau
Products
- Tooth Chain

Serves : World

Hang Zhou
Products
- High volume transmission chain
- Fork lift truck / Leaf chain
- Standard conveyor chain

Serves: China / World

Malaysia
Products
- Specialist sector conveyor chains
- Cement
- Palm Oil

Serves: S.E. Asia

Morristown
Products
- Conveyor chain
- Large pitch transmission chain

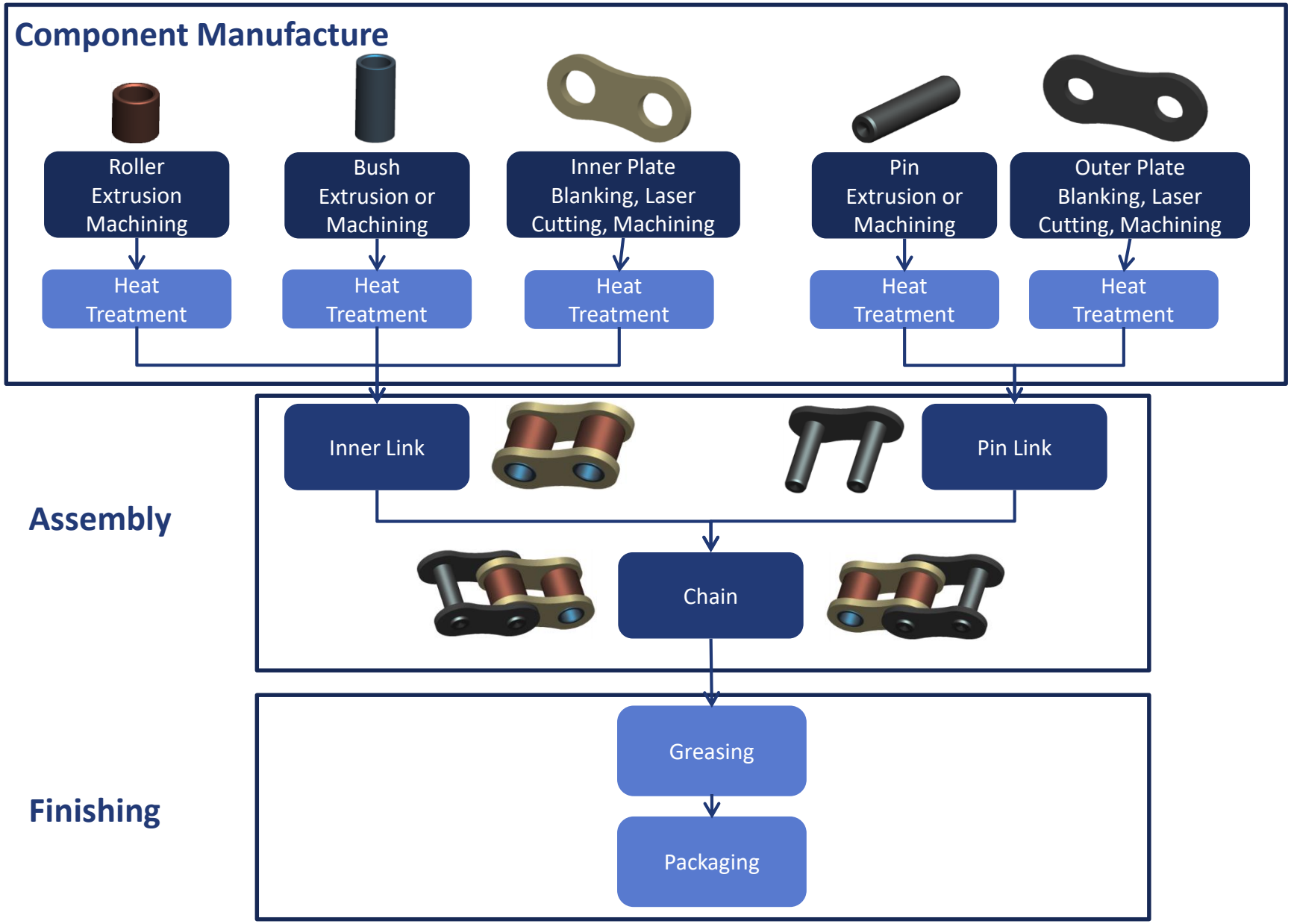
Serves: Americas / World

Gudalur
Products
- High volume roller
- Conveyor chain

Serves: India / World

Melbourne
Products
- Conveyor chain

Serves: Australasia


Component Manufacture
Roller Extrusion Machining
Bush Extrusion or Machining
Inner Plate Blanking, Laser Cutting, Machining
Pin Extrusion or Machining
Outer Plate Blanking, Laser Cutting, Machining
Heat Treatment
Heat Treatment
Heat Treatment
Heat Treatment
Heat Treatment
Assembly
Inner Link
Pin Link
Chain
Finishing
Greasing
Packaging

Phase I - Restructure

2014/15

- Announcement of closure of Bredbury manufacturing
  - Work transferred to Einbeck, Hangzhou and Morristown
- Ramp up of capital investment in equipment/machinery
- Establishment of UK rapid response service centre
- Re-establishment of sales operations in Benelux and Nordics

2015/16

- Completion of Bredbury closure
- Chain management team established
- Strengthening of operations team in China
- Component standardisation/rationalisation program

2016/17

- Closure of Seclin warehouse and relocation of EDC into consolidated German distribution centre
- Sale of the Seclin facility
- Sub lease of Bredbury site
- Sale of the Mulgrave facility in Australia
- Strengthening of operations teams in the US and Europe

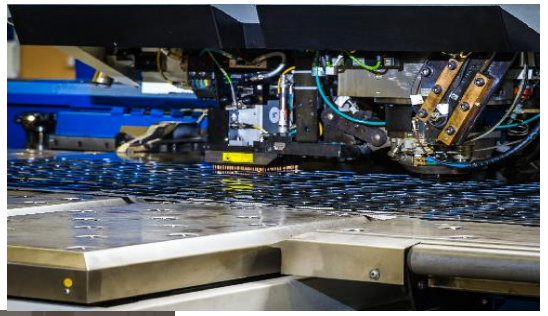
Phase I – Investment and Efficiency

Key Challenges

- Historic under investment in machinery has resulted in:
  - Production bottlenecks
  - Labour intensive processes
  - Lack of flexibility
  - Inability to scale production when required
  - Poor process stability

Investment Strategy

- Machinery Upgrades
  - Increased overall output capability
  - Improved responsiveness
- Automation and robotics
  - Faster production
  - Reduced labour
  - Improved process capability
- New technology
  - Process elimination
  - Greater flexibility



Laser Cutting

Sinico M/C Centre

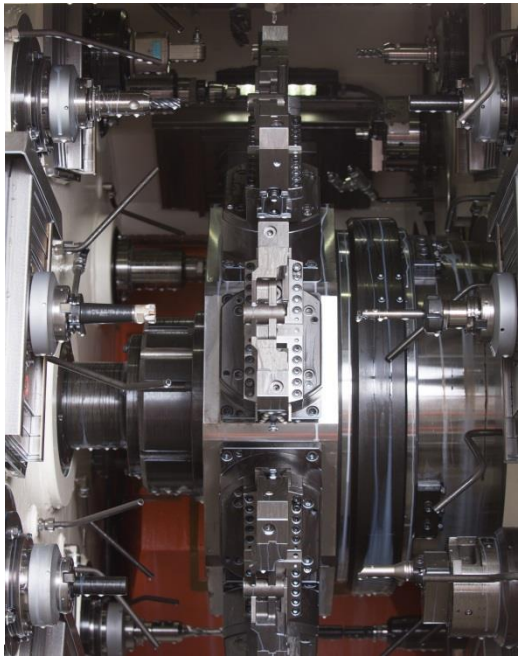
Robotic Assy Cells

High Speed Press

Phase I – Investment and Efficiency

Case Study – Rotary Transfer Machine

- Game changing technology, replacing 18 pieces of equipment with one machine
- Removal of approximately 60% of manufacturing operations for round parts (over 30% of total operations)
- Reduced plant complexity and improved service levels – finished components, right first time
- Reduced inventory
- Improved competitiveness



Example : Complex Pin

Manufacturing Operations	**From 3 to 1**
Time savings / piece	**285 seconds**
Annual hours saved	**950 hours**

RENOLD

Phase II – Organic Growth

SERVICE | **PROACTIVITY** | **FOCUS**

2015/16

- Restructuring and strengthening of European and Chinese commercial teams
- Establishment of new sales operations in Thailand and Indonesia
- Rapid response cell in the US to improve response times
- Adoption of market sector focus to drive sales – tailored to local specialities
- Increased marketing resource and investment
- Development of "configured" product concept to reduce lead times

2016/17

- Restructuring and strengthening of US and Indian commercial teams
- Establishment of new sales operation in Spain
- Development of product management capability
- Relocation of Malaysian factory to provide centre for activities in SEA
- Rapid response cell in China to improve response times
- Sector focus gains momentum : F&B, Cement, Timber

2017/18

- Appointment of SEA Managing Director and strengthening of Australasian commercial team
- Establishment of new sales operation in Poland
- Introduction of next generation ranges of transmission chain
- Product range extensions and enhanced stockholding centred on core development sectors : F&B, Timber, Cement, Sugar, Mining.

ORGANIC GROWTH

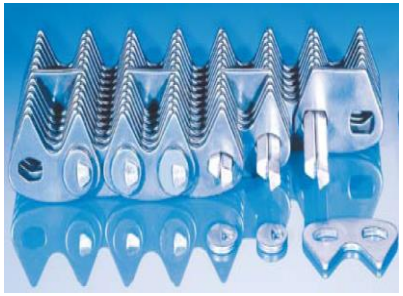
Phase III – Acquisition Renold Tooth Chain

Background

- Renold Tooth Chain acquired from Aventics in January 2016
- Production and sales of tooth chain based in Gronau, Germany (30kms from Einbeck)
- Market leading products with rolling pivot joint and laser welded plates
- Turnover circa €9m, 1000 live customers, 65 employees
- Particularly strong in glass bottle production and automotive production lines
- Excellent fit with Renold displaying many positive acquisition characteristics

Progress

- Acquisition successfully completed within planned timeframes, including employee transfer, carve out of IT systems and transition services agreement
- Business fully rebranded as Renold Tooth Chain in first three months
- Customers transitioned with no business loss
- Renold IT platform implemented December 2017
- Tooth chain now sold by the global chain commercial teams
- Solid trading with orders and sales growth



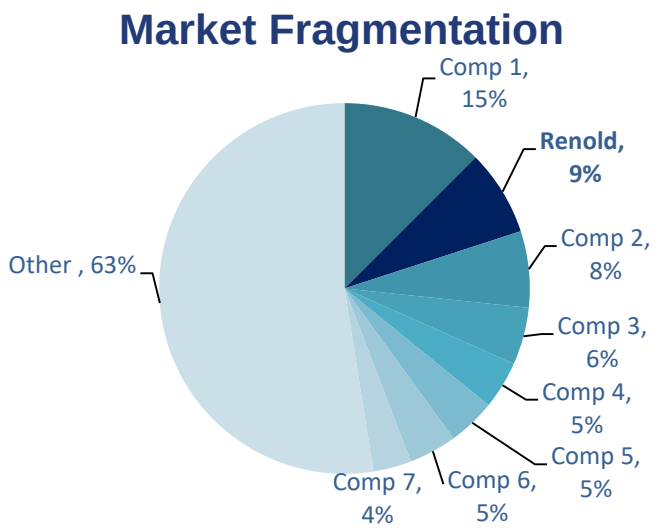
Phase III – Acquisitions

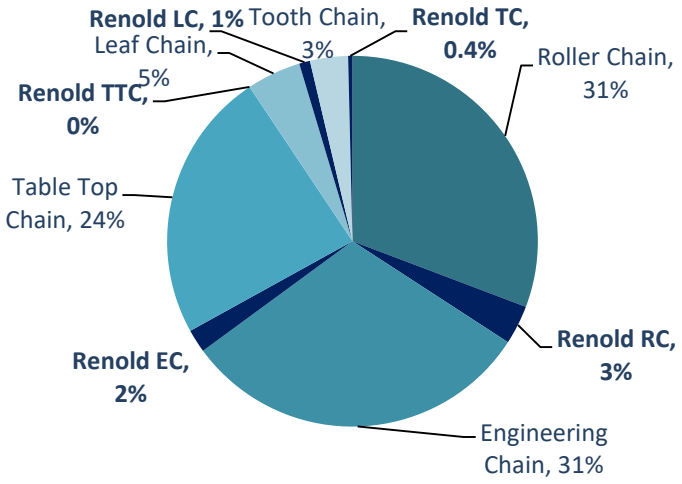
The Opportunity

- The global market for chain remains highly fragmented
  - > 150 manufacturers globally
  - Few players have true global capabilities
- Many western suppliers have outsourced manufacturing of certain products to Asia – with associated quality and supply chain issues
- Interesting market niches like tooth chain (est. £50m+) and flat top (est. £500m+)

Renold Acquisition Criteria

- Complementary product ranges and/or technology
- Opportunities to leverage through our global sales and distribution footprint
- Cross selling through existing customer bases
- Cost reduction through consolidation – manufacturing and indirect costs
- Insourcing of products currently sourced externally / from competitors, particularly in low cost countries
- Geographic expansion (e.g. South America)





- Phase 1 - Restructuring well advanced
- Investments in new machinery now delivering operational benefits
- Organic growth actions starting to gain traction
- 1st acquisition successfully completed; further opportunities exist
- Plenty remains to be done but many reasons for optimism

- Delivering on all phases of the STEP 2020 Strategic Plan in the Chain division
- Torque Transmission change programme started later
  - Consolidation of UK Couplings facilities well advanced
- Further work to do in both divisions to improve operational efficiency and service….but much has been done
- "….market conditions remain volatile…."
  - "European markets are improving, but trading conditions in North America remain challenging"
- "….we continue to pursue our strategy….we look forward more confidently to the future."